Excise waiver on processed poultry feeds

174. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE be pleased to state:

(a) whether the poultry industry has been pressing for excise waiver on processed poultry feeds and also for a levy of only four per cent under the proposed VAT;

(b) whether the poultry industry contributes more than Rs. 12,000 crores to GNP; and

(c) if so, whether Government would consider providing relief considering the law-cost nutritional benefits accruing from poultry products including eggs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) The information will be collected and laid on the Table of the House.

(c) Processed poultry feed is exempted from excise duty. As per Entry 54 of list-ll (State List) of the Seventh Schedule to the Constitution, tax on sale or purchase of goods is a State subject. The Value Added Tax is to replace the existing sales tax system in the States and UTs. The rate of tax in VAT regime, classification goods for taxation, etc. are subjects to be decided by the Empowered Committee of State Finance Minister.

Misuse of exemption of transfer of listed stocks

175. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE be pleased to state:

(a) whether there are instances of misuse of the new provision of exemption of transfer of listed stocks, hardly traded, acquired on or after 1st March, 2003 and before 1st March, 2004 from tax;

(b) whether the market operators are looking at companies with illiquid and hardly traded shares, to rump up share prices and then exit after holding period of one year; and

(c) if so, the corrective measures contemplated in this regard?